



# Department of Justice

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## **JUSTICE DEPARTMENT CLEARS WAY FOR FORMATION OF COMPUTER INFORMATION SYSTEM FOR USE BY CHEMICAL DISTRIBUTORS**

WASHINGTON, D.C. – The Department of Justice today said that it cleared a proposal by Texas-based BroChem Marketing Inc. (BroChem) to establish a computer database aimed at giving chemical distributors efficient access to the information they need when marketing chemicals sold to them by chemical producers. The Department approved the proposal after BroChem agreed to make substantial modifications to address the Department’s competitive concerns.

“The database could produce procompetitive efficiencies by making it easier for chemical distributors to access information and eliminating a large percentage of time-consuming, costly telephonic communications between chemical producers and distributors,” said R. Hewitt Pate, Acting Assistant Attorney General for the Antitrust Division.

The Department’s position was stated in a business review letter from Pate to counsel for BroChem.

According to the Department’s business review letter, BroChem modified its original proposal by agreeing to establish computer safeguards to ensure that price-sensitive information is not accessible to competitors or others who should not have access to it. In addition, BroChem modified its proposal to ensure that the database will not include information added by BroChem that could facilitate price coordination.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division would challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group in the Antitrust Division, Suite 215, Liberty Place, 325 7<sup>th</sup> Street, N.W., Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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